

The Owen Reilly Report 2024

It was another busy and interesting year for the Dublin residential property market. Despite ten consecutive interest rate hikes by the European Central Bank (ECB), property prices in our core markets were resilient and by year end were 1 to 2 per cent higher than a year ago depending on property type and price range. Considering the ongoing war in Ukraine, a new conflict in Palestine, and a slowdown in the technology sector, this is a remarkable performance. Property values have fallen in many developed property markets, including cities in the UK, America, Australia, and Canada.

So why haven't property prices fallen in Dublin? The Central Statistics Office (CSO) actually reported a fall in prices at the start of the year when interest rate hikes first started to have an effect and a slowdown in the technology sector impacted negatively on buyer confidence. However, there is obviously a time lag between when data is collected on property sales and when the actual sales occurred which we can assume was at the end of 2022 and into the first couple of months of 2023. Most reporting on property prices, including that of the CSO, is too general

and doesn't analyse in detail how different price ranges are performing. First time buyers actively won't agree Dublin property prices are falling!

Since the first quarter, the supply of properties for sale in Dublin has considerably reduced. According to MyHome.ie there were 15 per cent fewer properties for sale in Dublin compared to 2022. According to our own research, the supply of properties for sale in our core markets in quarter three was down 25% year-on-year and 30% lower when compared with 2019. Quite simply, the supply of properties has not met demand and prices increased in the second half of 2023. In recent weeks, it was not unusual to see as many as fifty viewers arrive at open viewings on Saturdays. Demand was strongest up to €500,000 where first-time buyers were most active and for houses in turn-key condition.

Strong performance

Our average selling price was €576,916 or €663 per sq. ft. Our average selling prices were 4.7 per cent above our average asking prices, nearly the same as the 4.6 per cent figure we recorded

last year. Average selling prices in the <€500,000 price range were 6.6 per cent above asking prices reflecting the strong demand from first-time buyers who were mostly motivated to get out of the dysfunctional rental market.

In Dublin 8, average selling prices were 10 per cent over asking prices with some exceptional selling prices achieved for period houses in good condition. 63 per cent of our listings were agreed above asking compared to over 80 per cent last year, an indication of a cooler market. Selling times were fast at 7.1 weeks.

Whilst most properties sold well, rent-controlled apartments with low BERs and houses requiring significant refurbishment costs were much more challenging to sell. Prices in Docklands remained stagnant in 2023, though larger apartments with water views did sell extremely well.

Overall, in the second half of 2023 family homes in turn-key condition with good BERs sold as much as 10 to 20 per cent above asking prices as demand surged and supply dried up.



13 Raymond Street, South Circular Road, Dublin 8. Sold for €1,050,000

Owner occupiers and cash buyers to the fore

79% of our buyers were owner occupiers, 73% of them first-time buyers with an average age of 39. We saw less demand from investors, they accounted for 21% of our buyers compared to 25% in 2022.

Incredibly, 42% of our buyers were buying with cash funds and required no mortgage funding. Where are the cash funds coming from? Many of these buyers sold their existing primary residence, sold a business, or came into inheritance, which supported these purchases.

43% of our buyers were not born in Ireland. This might reflect the market we are in but also how cosmopolitan Dublin has become. Many of these buyers have been working in the multinational sector for several years and now consider Dublin home. Only 4% of our buyers were trading down reflecting the lack of suitable options available to them. This buyer profile was most active in buying apartments or small townhouses in Dublin 4.

Postcode performance

Our Dublin 6 data recorded the highest average selling price at €698,367 or €718 per sq. ft. Our Dublin 1 and Dublin 8 markets outperformed other postcodes with an average of 10% selling price achieved over asking price. The variance of property across Dublin 4 from less than €500,000 to €1,000,000+ led to selling prices ranging from their asking price to over 20% above asking price.

Dysfunction in the rental market continues

Our rental market performed strongly driven by the acute lack of available properties, especially at <€2,000 per month. 67% of our sellers were landlords exiting the market, their exodus accelerated after what was a disappointing budget for them. The average monthly rent in our portfolio was €2,705, a 4% increase on 2022. However, there was a noticeable cooling in demand in quarter three as the slowdown and recruitment freeze in the multinational sector, and hybrid working practices had an effect

This reduced demand was particularly noticeable for higher end properties where some remained available on the rental market for months. We saw increased demand for new developments with A BERs and on-site amenities, notably at One Lime Street and OPUS @ 6 Hanover Quay. However, in Dublin Docklands several new PRS developments are now competing for the same pool of tenants and this extra competition cooled rent inflation in the second half of 2023. It will be interesting to see how this competition plays out in 2024

Tenant profile

Our typical tenant was 31 years of age and on an average salary of €70,000. 49% of our tenants were working in the technology sector, down from 63% which we recorded last year. 22% of our tenants were Irish compared to 16% in 2022.

2024 Outlook

Looking ahead to 2024, we expect to see similar market trends which we saw in 2023 with modest price growth and a continued lack of supply of properties for sale. First-time buyers will continue to be the most active cohort of buyers. Properties requiring significant upgrading with associated costs will be cautiously appraised by buyers. Houses in turn-key condition will continue to achieve premium prices.

There are expected to be over 30,000 new homes delivered in 2024, which would be a strong delivery, given the combination of rising construction costs and interest rates. The extension of the Help-to-Buy scheme combined with the other existing supports for buyers of new homes will help underpin demand in the new homes market. It will be interesting to see if more developers consider 'build to sell' apartment developments in prime locations as activity in the 'build to rent' sector comes to a halt, hopefully temporarily.

It would appear the cycle of ECB interest rate hikes has peaked. It is now predicted interest rates will fall at some stage in 2024 which is good news for home buyers. We don't however believe a fall in interest rates will automatically lead to a significant increase in property prices. Dublin property values are well priced, and affordability will continue to be a real issue for many buyers.

As always, 2024 will be a very interesting year for the Dublin residential property market, and we look forward to sharing updates with you.

Market Highlights			
Average Selling Price	% of properties that sold above asking	% of Sellers who are Landlords	Average Monthly Rent
€576,916	63%	67%	€2,705
Asking Price v Selling Price Variance	Sales Fall Through Rate	Weeks On Market	Average Tenant Age
+4.7%	15%	7.1	31
Average Selling Price per sq. ft	Average Buyer Age	Average Tenant Household Salary	% of Tenants working in technology
€663	39	€139,245	49%
% of Cash Buyers	% of First-time Buyers	% of Irish Tenants	% of Indian Tenants
42%	73%	22%	10%

Dublin Residential Sales Market

2023 Transactional Data (compared with 2022) % Percentage difference with 2022

€550,808 (€615,753)

-11%

Average Asking Price:

€576,916 (€643,891)

-11%

Average Selling Price:

4.7% (+4.6%)

Asking Price V Selling Price Variance:

7.1 (7.7)

Weeks On Market:

15% (14%)

Fall Through Rate:

€7,131 / €663 (€6,942 / €645)

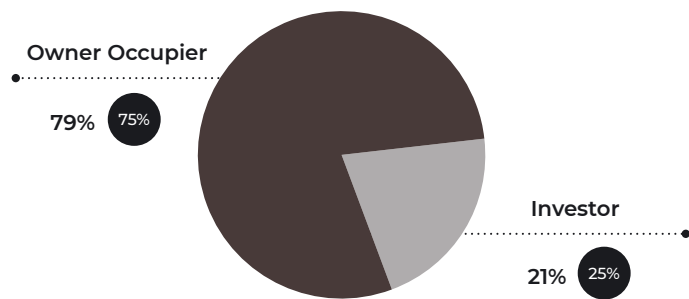
+3%

Average Selling Price per sq. m. / sq. ft.

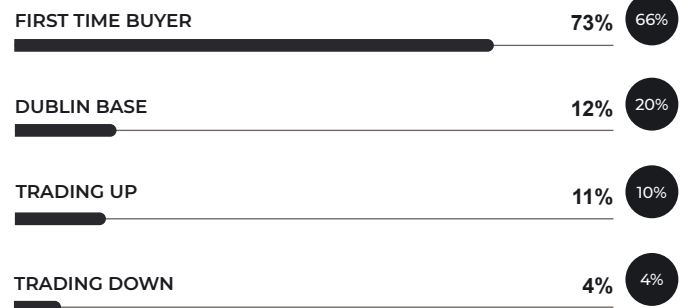
Buyer profile

% 2022

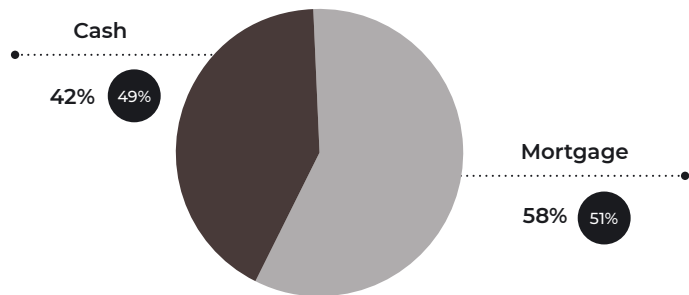
Type



Owner occupier breakdown



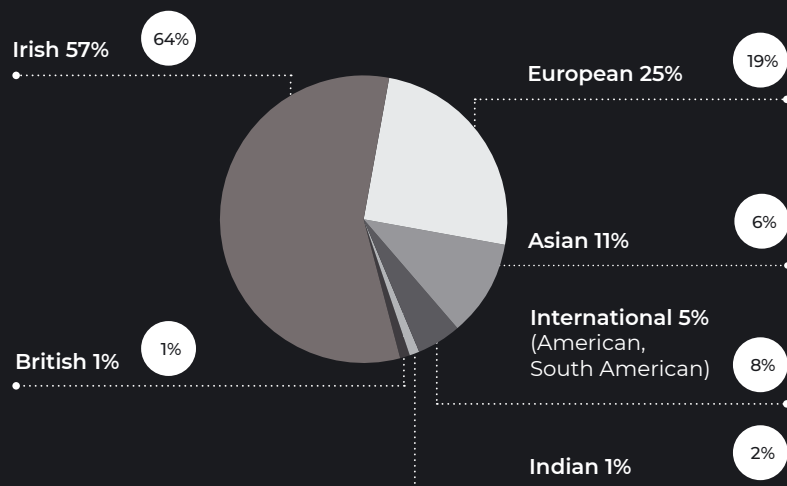
Funding



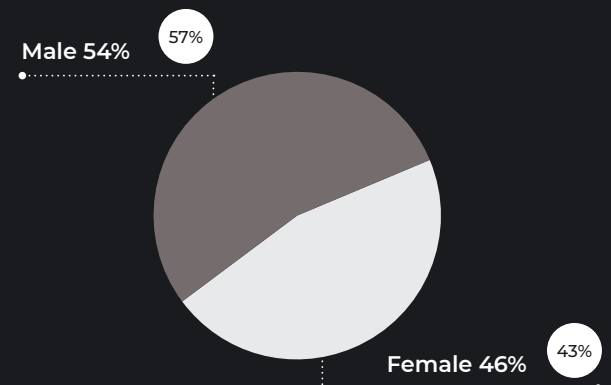
Status of Buyers



Nationality

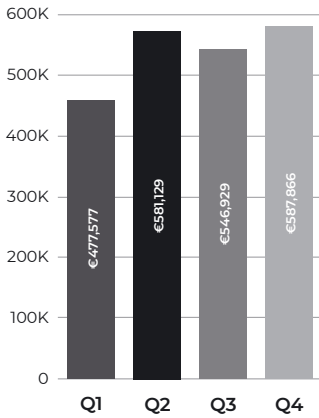


Gender of Single Buyers

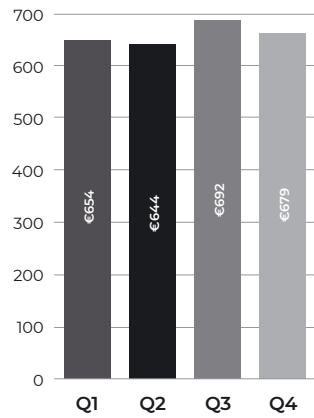


Analysis per quarter

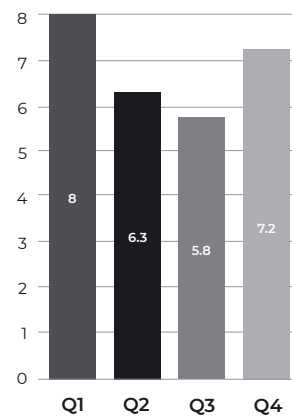
Average selling price



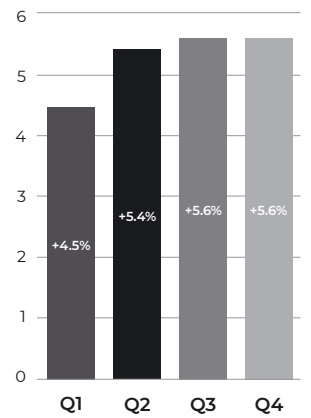
Average selling price per sq. ft.



Average weeks on market

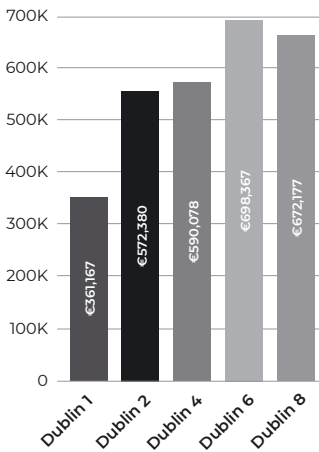


% difference between asking and selling

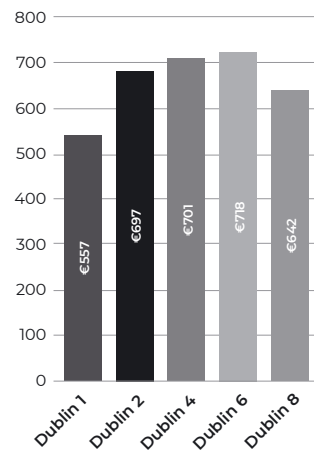


Analysis per postcode

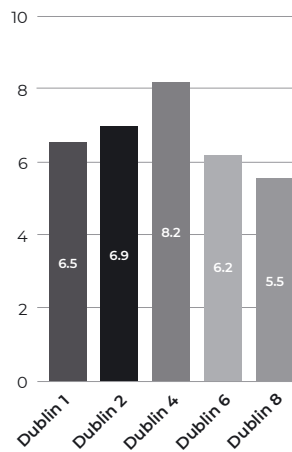
Average selling price



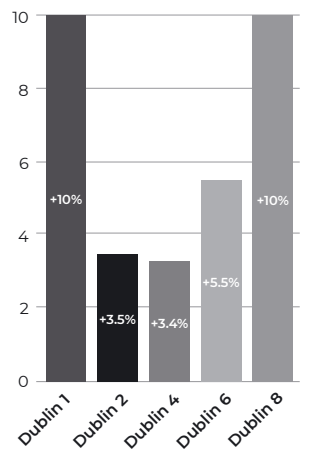
Average selling price per sq.ft.



Average weeks on market

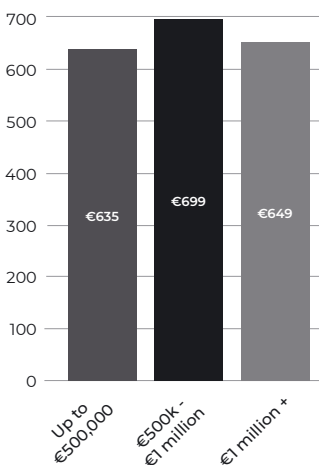


% difference between asking and selling

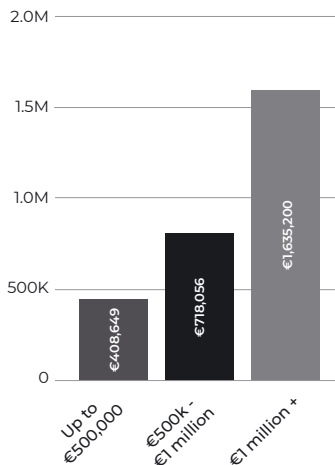


Analysis per price

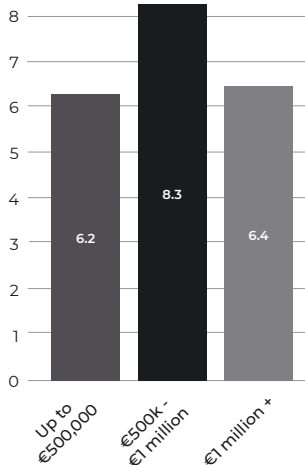
Average price per sq. ft.



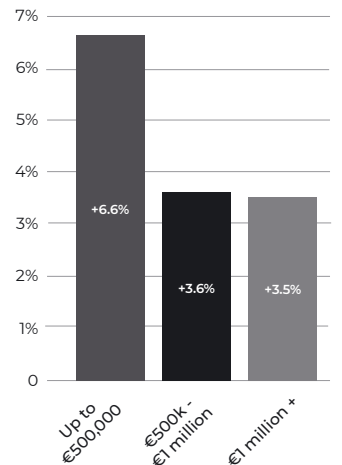
Average selling price



Average weeks on market



% difference between asking and selling



Expertly sold in 2023



26 Dartmouth Road, Ranelagh, Dublin 6.



8 Joy Street, Ringsend, Dublin 4.



10A Mountbrook, Blackrock, Co. Dublin.



22 Elmwood Avenue, Ranelagh, Dublin 6.



12 Convent Hall, Mount. St. Anne's, Milltown, Dublin 6.



8 Hampton, Drumcondra, Dublin 9.



120 Lansdowne Park, Ballsbridge, Dublin 4.



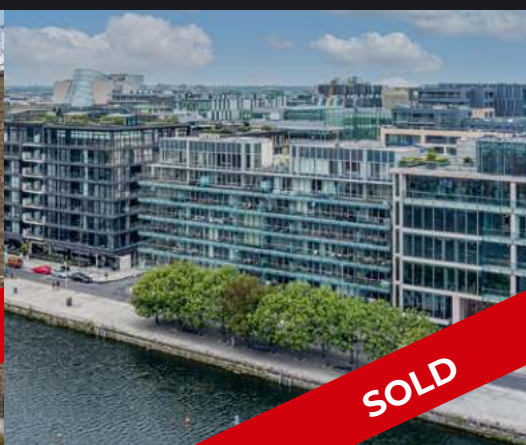
13 The Royal Exchange, Parliament Street, Dublin 2.



25 Ovoca Road, Portobello, Dublin 8.



17A Baggot Street Lower, Dublin 2.



57 The Waterfront, Grand Canal Dock, Dublin 2.



10 Sandymount Castle Park, Sandymount, Dublin 4.

Dublin Residential Rental Market

2023 Transactional Data (compared with 2022) % Percentage difference with 2022

€2,376 (€1,916)

+21%

Average One Bed Monthly Rent:

€2,795 (€2,548)

+9%

Average Two Bed Monthly Rent:

€4,272 (€3,572)

+18%

Average Three Bed Monthly Rent:

€2,705 (€2,606)

+4%

Average Monthly Rent:

€139,245 (€156,137)

-11%

Average Household Salary:

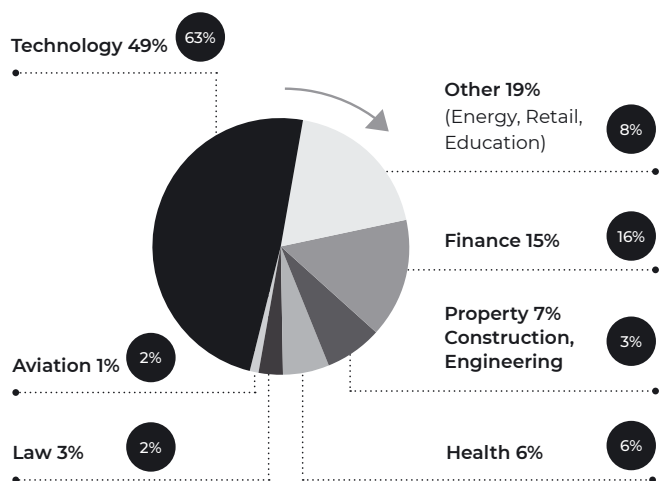
+4% (16%)

Rent Inflation:

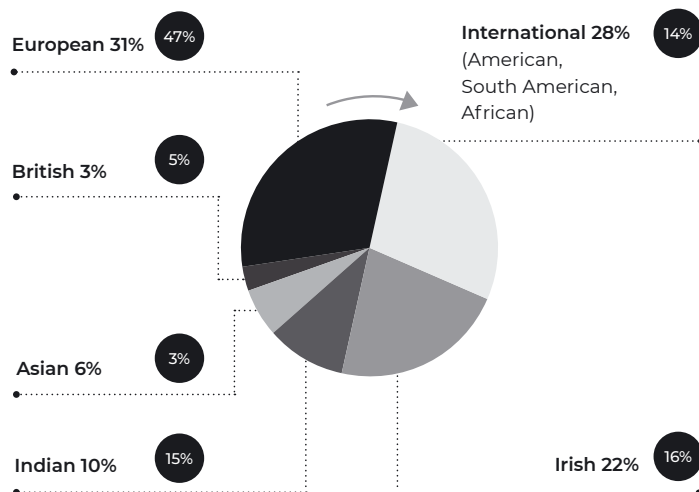
Tenant profile

% 2022

Work Sectors

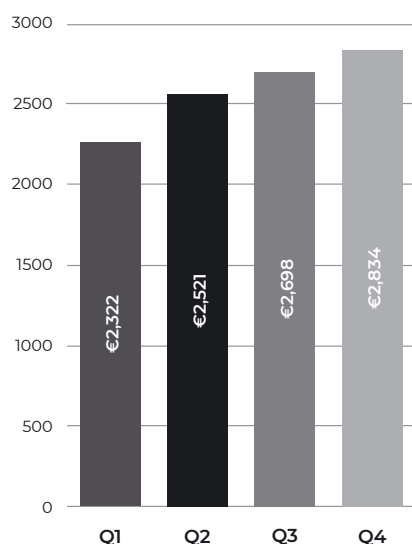


Nationality

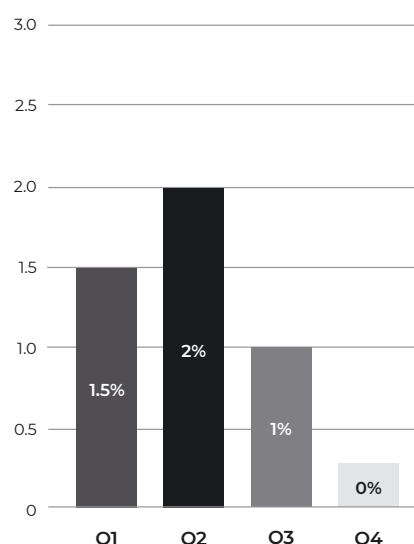


Quarterly analysis

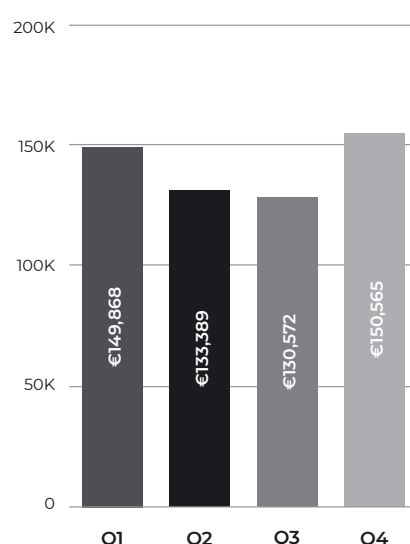
Average monthly rent



Rent inflation



Average household salary



Expertly let in 2023



LET

Northumberland Road, Ballsbridge, Dublin 4.



LET

OPUS, 6 Hanover Quay, Grand Canal Dock, Dublin 2.



LET

Anna Villa, Dublin 6.



LET

Longboat Quay South, Grand Canal Dock, Dublin 2.



LET

One Lime Street, Dublin 2.



LET

Bath Street, Irishtown, Dublin 4.



LET

Booterstown Avenue, Blackrock, Co. Dublin.



LET

Forbes Quay, Grand Canal Dock, Dublin 2.



LET

Lennox Street, Portobello, Dublin 8.



LET

Ballsbridge Gardens, Ballsbridge, Dublin 4.



LET

Percy Place, Ballsbridge, Dublin 4.



LET

St. Patrick's Road, Drumcondra, Dublin 9.



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Beautiful homes, expertly sold.

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PSRA 002370

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The Doors of Dublin we have sold



We would love to sell yours!

Docklands Branch

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Grand Canal Dock,
Dublin 2.

📞 01-6777100

Southside Branch

8 Merrion Road,
Ballsbridge,
Dublin 4.

📞 01-6777101

City Centre Branch

4 Camden Street,
Grantham Street,
Portobello, Dublin 8.

📞 01-4751275

✉ hello@owenreilly.ie

📍 [owenreilly.ie](https://www.owenreilly.ie)



The information in this document is based on transactions only and our observations of the market. However, Dublin comprises unique and diverse neighbourhoods and features many very different developments. We will be pleased to provide more detailed breakdowns or background information to particular areas or developments.

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